

STATEMENT OF CONSIDERATIONS

REQUEST BY SIEMENS WESTINGHOUSE POWER CORPORATION (SWPC)
FOR AN ADVANCED WAIVER OF DOMESTIC AND FOREIGN PATENT
RIGHTS UNDER CONTRACT NO. DE-FC02-00CH11048, CH-1053,
W(A)-01-006

The Petitioner, Siemens Westinghouse Power Corporation (SWPC), has requested a waiver of domestic and foreign patent rights for all subject inventions under DOE Contract No. DE-FC02-00CH11048, "Research and Development for Advanced Materials in Advanced Industrial Gas Turbines". In order to avoid fragmenting the technology, and thus adversely affect its assimilation and commercial development, as well as to enable SWPC to meet its cost sharing commitment, SWPC has requested that the waiver extend to both its own employees and those of its subcontractors, except subcontractors eligible to retain title to inventions pursuant to P.L. 96-517, as amended, and National Laboratories. This approach is fully consistent with DOE's programmatic expectations since it enables the parties under the agreement to allocate patent rights on the basis of cost sharing as well as other equities among the parties.

SWPC was awarded this agreement to evaluate the performance of innovative thermal barrier coating systems for applications at high temperatures in advanced industrial gas turbines. SWPC expects to demonstrate the viability of its thermal barrier coating concepts in advanced gas turbine environments.

The total cost of this agreement is anticipated to be about \$2,848,372, of which SWPC is contributing \$1,422,476 or about 50 percent of the cost. The estimated period of performance for the project is expected to be from October 2000 to September 2003.


The Petitioner, is clearly competent in the field of technology relating to this agreement as demonstrated in the Petitioner's response to questions 5 through 7 in the attached copy of its waiver petition. Considering the Petitioner's technical expertise, established market position, and significant investment in this technology, including substantial cost sharing under this agreement, it is reasonable to conclude that the Petitioner will continue to develop and ultimately commercialize the technology arising from this agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advanced patent waiver and background data licensing provisions. The terms of the advanced patent waiver include the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause (paragraph t) which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Should the Contractor or other such entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE.


In addition to the above, all subcontractors under this agreement, other than subcontractors who are domestic small business or non-profit organizations under P.L. 96-517, as amended, or National Laboratories, shall give DOE written notice of their acceptance of the terms and conditions of this waiver prior to entering into any contract under this agreement. Except as otherwise specifically approved by Patent Counsel a subcontractor's acceptance of contract under this agreement, regardless of tier, shall constitute the subcontractor's notice to DOE and acceptance of the terms and conditions of this waiver.

The grant of this waiver is not expected to result in adverse effects on competition or market concentration. Rather the waiver should enhance competition and growth of the technology in the United States. DOE has the right to require reports of the utilization or the efforts at utilization that are being made for the waived inventions. If a participant which has obtained title is not making reasonable efforts to utilize a waived invention, DOE can exercise its march-in rights and require licensing of the background inventions and data.

Considering the foregoing, and in view of the statutory objectives to be obtained and the factors to be considered under DOE's statutory waiver policy, all of which has been considered, it has been determined that this waiver as set forth above will best serve the interest of the United States and the general public. It is recommended that the waiver be granted, providing SWPC maintains at least 50 percent cost sharing, in aggregate, over this and subsequent phases of this agreement.


Thomas G. Anderson
Assistant Chief Counsel
Office of Intellectual Property Law


Date: 3/23/01


Mark F. LaMarre
Patent Attorney
Office of Intellectual Property Law

Date: March 23, 2001


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the contract, where through such modification or extension, the purpose, scope or cost of the contract has been substantially altered.

CONCURRENCE:


William Parks, Acting Director
Distributive Energy Resources,
EE-16

Date: 4/12/01

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property, GC-62

Date: 4-18-01

U.S. COMPETITIVENESS CLAUSE

(t) U. S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

WAIVER ACTION - ABSTRACT

W(C)-01-006 (CH-1053)

REQUESTOR

Siemens Westinghouse
Power Corporation

CONTRACT SCOPE OF WORK

R&D for Advanced Materials
in Advanced Industrial
Gas Turbines

RATIONALE FOR DECISION

50%
Cost Sharing

DISPOSITION